

DRAFT MINUTES
STEERING COMMITTEE MEETING
August 3, 2004

Attendees: F. Sanders; K. Lentz; D. Kovacs; T. Botkins; E. Imhoff; J. Peaks; D. Paylor; J. Dunscomb; M. West; J. Kauffman

Observers and Staff: J. Carlock; R. Jackson; J. Lain; T. Wagner; B. Hulburt; J. Hassell; S. Kudlas; M. Rubin.

Reports on Discussions and Meetings Since Last Steering Committee Meeting

The meeting began with a discussion of where the groups were on Phase II after the discussions they have had with their groups since the last meeting.

In reporting on the discussions that have taken place within the planning interest group since the last Steering Committee meeting:

- They have not been able to meet as formally as some of the other interest groups but have had some contact.
- There is general agreement among this group that they are interested in saving the "good parts" of Phase II, particularly the concept of winnowing down alternatives to the most viable ones prior to entering the permit process.

In reporting on discussions of the business/commercial interest group:

- They continue to be sensitive to the protection of existing rights and uses and have developed some generic language to address these concerns [Tom Botkins provided a hard copy to staff]

In reporting on discussions of the environmental interest group:

- The group has a basic concern about communication and being certain that a confidence level is developed that the different interests are talking about the same thing before reacting.
- They are looking to the AWWA Integrated Planning Process as a model for comments that they will make regarding conservation and demand management.
- They think it is essential to keep some form of Phase II analysis and are open to discussing ways to make that process workable.
- They are also interested in discussing ways to integrate those water users that are currently not subject to existing permit regulations.

In reporting on discussions of the water suppliers group:

- The water suppliers met for about five hours to reach the position they are taking today.
- They went back to the original expectations that they had for the process. Their primary goals at that time were to obtain some streamlining of the current process and to acquire state advocacy for local projects. At this point, they don't feel like they will achieve either of those goals.
- While the water suppliers agree that there may be some benefit to local planning and providing the state with a more comprehensive look at water resources and supplies, they view Phase I as a process that adds additional time and effort for planning and public comment.
- They see Phase II as something extra and duplicative of what is done in the permit process. In their view, Phase II doesn't provide them with any streamlining or real advocacy.
- They are concerned that the state hasn't put forth a legislative proposal to address the problem they see with the completeness and timeliness of agency comments on local projects.
- They are also concerned that there is not enough time to adequately work out the technical issues with safe yield/firm yield and in-stream flow, among others.
- Therefore, they propose that the Committee move forward with the Phase I requirements of the regulations and recommend introduction of legislation to address their concerns about streamlining and agency comment. In their view, Phase I of the regulations meets the intent of SB 1221. They will support a Phase I type regulation. They also propose to continue discussing Phase II and working on the technical issues.

The water supplier's proposal generated significant discussion. All members of the Steering Committee generally voiced support for finding a solution to the agency comment issues presented by the water suppliers. The state representatives indicated support for that kind of legislation but expressed concern that legislation alone might not solve the problem. The state representatives proposed the use of an Executive Order to address the issue or perhaps both an Executive Order and legislation. One Committee member pointed out that the group should move on to other work because DEQ ultimately will have to decide whether the regulation goes forward with or without a Phase II component. The water suppliers clarified that their proposal did not represent a decision to pull out of the process.

A break was requested.

When the Committee re-convened, it was proposed that we concentrate on refining Phase I to meet everyone's needs. The facilitators recommended that we look at what is actually required in Phase II and then look at whether Phase I can be modified to meet everyone's needs. Several Committee members expressed their inability to understand the water supplier's concerns about duplication, particularly with the proposed Phase II alternatives analysis.

The Committee tabled the discussion to hear a presentation by staff on common demand projection methods. The Committee was told that there are many accepted demand projection methods and the state typically sees projections using one of the following methods, or some

hybrid of thereof: 1) the simple per capita method (aggregate use), 2) the disaggregated use method, 3) use extrapolation methods, or 4) land use methods. Staff told the Committee of the pros and cons of the methods and how inputs are generally derived. The permit review process often focuses on the reasonableness of the input assumptions.

After some discussion, the Committee recommended that the staff look at whether 9VAC25-780-110 needs to be modified to address accepted methods or inputs.

The Committee resumed the Phase II discussion. The water suppliers indicated that the triggers proposed at the last meeting made them feel that Phase II was becoming more like a mandatory permit process and would increase their costs of compliance. The environmental interests thought that the triggers defined more explicitly when Phase II planning would be required. Several members suggested that if Phase II was abandoned, then Phase I would need to be sufficient enough allow the state to decide if use conflicts exist. Without Phase II an alternative mechanism would have to be created to work out these conflicts. It was offered that the VWP permit process might provide this mechanism.

Additional discussion of the Phase II options followed and it was agreed that DEQ would prepare a proposal for consideration by the members.

The meeting was adjourned.